

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

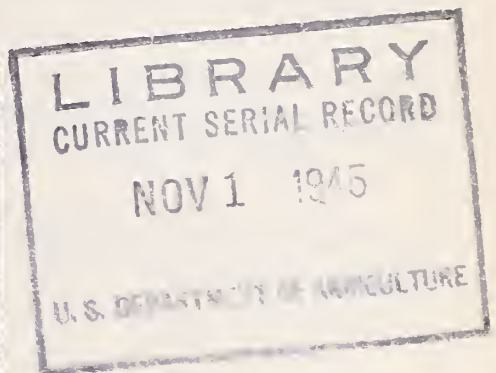


.942
H 8m 34
cap. 3

September 1945

Marketing

Activities



U.S. DEPARTMENT OF AGRICULTURE
Production and Marketing Administration

2121 10-10-10 IN THIS ISSUE:

EGG TERMS ARE CONFUSED Page 3

When is an egg fresh? How can you tell whether an egg is edible? What does "storage" mean? Well, the answers depend on where you happen to be.

TESTING COTTON FIBER AND SPINNING PERFORMANCE Page 7

Tests that have become routine today reveal important qualities in cotton to buyers and millers—qualities that used to be guessed at...or ignored.

PEANUTS ALSO SERVEDPage 11

Peanuts are a good deal more than just something to eat at a ball game.

FOOD FROM THE GOLD COAST Page 17

Cocoa beans had a part in the war, too.

•
•
•

Address all inquiries to
Elbert O. Umsted
Editor, Marketing Activities
U. S. Department of Agriculture
Washington 25, D. C.

Material in Marketing Activities
may be reprinted without special
permission.

Issued monthly. Vol. 8, No. 9

Egg Terms Are Confused

The state of egg marketing in this country today is not what it might be because there are too many ways by which we can--and do--describe an egg. The extent of the confusion was indicated in a recent study by H. E. Botsford, who at the time was on leave from Cornell University and was working in the U. S. Department of Agriculture.

The egg laws and regulations in 35 States provide for 1 to 4 retail egg grades, Mr. Botsford pointed out. Use of these egg grades is mostly on a voluntary basis although in 8 States labeling according to 4 grades is mandatory for all eggs sold at retail. In 7 States eggs which are labeled must conform to the quantity standards designated. Between and below these requirements various permissive and required provisions govern the marketing of eggs. Labeling requirements appear to have two conflicting purposes--the protection of buyers and the provision of local trade advantages.

Standards and Grade Specifications

The standards for individual eggs, the grade specifications based on quality factors and weight classes, vary more in minor details than in principle. Yet these differences disrupt trading, confuse producers, handlers, and consumers, and for the most part destroy the work done over many years of many agencies and thousands of persons to bring more order into egg marketing.

In establishing their grades, 31 States use all or a part of the United States Standards for Quality for Individual Shell Eggs. Seventeen States use the tentative U. S. Standards for Shell Eggs adopted in 1925 in all or a part of their grade descriptions, but they have not changed in accordance with the improvements in U. S. Standards that have come about since 1925. Nine States use the U. S. Standards for Individual Shell Eggs (adopted in 1933) and only 8 States use entirely the U. S. Standards for Individual Shell Eggs that were issued in January 1943. In 5 States local terms are used in describing official grades, or the standards in use have not been specified.

Dealers in one State are required to register their brand and the quality specifications that are to go with that brand. The use of Federal standards is urged, but the dealer may indicate any specification he pleases. The law holds him accountable if his product fails to meet the specifications he has set up.

Weight classes adopted under the State regulations also vary considerably. For example, there are 7 principal variations in the

requirements for large-size eggs, 7 for medium-size eggs, and 12 for small-size eggs, to say nothing of varying requirements for extra-large size, pullet size, peewee size, and small size. In 23 States, no eggs below the designated minimum weight per egg are allowed to the dozen in retail sales. At the same time, 8 States permit weight tolerance below the minimum established for the weight class. In 18 States egg size must be shown when price and grade is mentioned in advertising or when quality is referred to at the time of offer for retail sale.

Sixteen States emphasize the term "fresh" as an indication of quality. The trouble is that the administration of egg laws in these States does not reflect a uniform interpretation of the meaning of this term, which is also used defensively against eggs that may have been in storage. In 12 States, eggs labeled as fresh must correspond to Grade A standards of quality and in 3 others they may conform to Grade B quality. In another State, Grade C eggs may be called "fresh."

Even though oil processing is recognized as an effective means of preserving the stability of physical qualities in shell eggs, 12 States require "preserved" or "processed" eggs to be labeled as such at wholesale or retail--the implication being that the public needs protection against eggs so treated. The egg laws of 17 States require eggs that have been in storage for varying periods to be labeled "Storage," a term which may reflect on the quality of such eggs.

In point of fact, since production is seasonal and eggs are perishable, storage and the oil treatment are desirable service processes which are advantageous to producers, handlers, and consumers alike. Such eggs when properly stored are frequently of better quality than that of many lots of so-called fresh eggs available in retail stores during summer, fall, and even winter. Many factors and conditions contribute to the deterioration of quality--temperature, for example, is more important than the age or time in storage. Both "fresh" and "storage" are misleading terms, especially when there exist grade specifications and terms which more correctly describe the interior condition and quality of the eggs.

"Fresh" and "Storage"

Some of the varying provisions that Mr. Botsford found regarding egg freshness and storage are given in the following two paragraphs:

Eggs may be called "Special No. 1" if they are less than 72 hours old and of the quality of U. S. Grade A.... Eggs may be labeled "Fresh" when they are not more than 5 days old...(or) more than 14 days old and of the quality of U. S. Grade A...(or) not more than 45 days old and of Grade A or better quality...(or) when they are sound, sweet, clean, and

full and there are not over 2.5 milligrams of NH_3 per 100 grams of eggs.

Eggs must be labeled "Held" if they are over 5 days old and have not been held in storage.... The word "Storage" must be stamped in indelible ink in letters a quarter of an inch high on the shell of each egg offered for sale that has been artificially refrigerated for any length of time.... Containers of storage eggs must be so marked when chemical analysis shows deterioration. (The method of analysis and the degree of deterioration was not stated.)

In 4 States, eggs originating from foreign countries must be marked "Foreign." In 5 States, eggs produced in another State must be labeled with the name of that State or marked "Shipped." The laws of one State require eggs produced there to be labeled with the State name. In 1 State, the word "Shipped" must be stamped on each egg that came from outside that State. In another, "State Eggs" or "Foreign Eggs" in 2-inch letters must be stamped on all containers of eggs from other States or from foreign countries.

The retail sale of inedible eggs is prohibited in 36 States. In 8 States, eggs are considered inedible when they have been in an incubator for a specified length of time. The egg regulations of 21 States make no mention of incubator infertiles, whereas such eggs may be retailed according to grade in 6 States. Presumably incubator infertiles may be retailed in the latter States under the quality grades prevailing locally. Dealing in inedible eggs is prohibited in 16 States, which have attempted to solve the problem of inedibles by requiring the candling of all eggs and the removal of inedibles before sale within the State. In 1 State "inedible eggs" includes eggs that have been heated for hatching or indeed for any purpose whatever. In another, incubator eggs are inedible only if they have been in an incubator for 48 hours.

Nearly all the State officials interviewed by Professor Botsford stated that because eggs are semiperishable and the egg business is keenly competitive, there must be a consistent and persistent enforcement procedure if the value of egg-grading work is to be realized. Yet in 16 States, officials readily stated that no attempt has been made to enforce the egg laws. In 9 States, an adequate force of full-time inspectors was employed. One State had 4 full-time and 3 part-time inspectors to make several inspections a year of 3,500 retail stores and restaurants. In another State, 20 to 30 inspectors planned to make at least 1 annual inspection for each 500 inhabitants of each city or community. Three States depended on employees who inspected eggs and other food commodities as well. One of these States had 40 inspectors. In another State, 19 inspectors had the help of 34 licensed egg graders from numerous plants who moved among the markets and reported the condition of eggs at retail.

Adequate funds and enforcement people were found in few States. In 21 States, funds came from direct State appropriation and in others they came partly or wholly from registration or license fees or the sale of stamps required to be placed on egg cases and cartons. In some States there were no enforcement funds at all.

. .
.

LOAN RATES FOR 1945- CROP CURED SWEETPOTATOES

Loans to support the price of the 1945 crop of cured sweetpotatoes have been announced by the Department of Agriculture. Loans will be available through the Production and Marketing Administration on sweetpotatoes packed in standard crates, baskets, or hampers. The rates are:

For U. S. No. 1 grade, from November 15 through December 31, 1945, \$1.50 per bushel; for January 1946, \$1.65 per bushel; and for February, \$1.75 per bushel. Rates for U. S. No. 2 grade containing not less than 75 percent U. S. No. 1 quality will be 15 cents a bushel less than for the U. S. No. 1 grade.

Producers, cooperative associations, and dealers who pay farmers not less than the equivalent of the support prices are eligible for loans. State and county agricultural conservation committees will handle the details of field operations, and those interested in obtaining a loan may apply to these committees for a loan or for information on a loan program.

. .
.

QUITMAN, GA., TOBACCO MARKET GETS INSPECTION, MARKET NEWS SERVICE

The Department of Agriculture has designated the flue-cured tobacco market at Quitman, Ga., for the free and mandatory inspection and market-news service of the Production and Marketing Administration. This action, under section 5 of the Tobacco Inspection Act, was to become effective 30 days after August 30.

It followed approval of a majority of growers selling tobacco on the Quitman market who voted in a referendum held during the period July 16 to 19, inclusive. In this referendum more than 85 percent of the growers voting favored designation of the Quitman market for the inspection and market-news service. The tobacco inspection law requires that before a market may be designated for the service, not less than 66-2/3 of those voting must favor such action.

Testing Cotton Fiber And Spinning Performance

The fiber quality and spinning performance of samples of raw cotton can now be determined precisely as a result of the development through research and suitable equipment and techniques for testing. Tests or measurements can be made of such physical properties of cotton fibers as tensile strength, fiber length, length variability, fineness, and maturity. Tests are made on commercial textile machinery to determine manufacturing waste, yarn strength, yarn appearance, and general processing performance.

These tests, which have now become routine, are very and variously useful. Cotton breeders use them extensively as a basis for developing improved cotton varieties and strains. Agricultural leaders and farmers use them in selecting the right varieties for planting in standardized-production areas and communities. Cotton manufacturers and merchants use them in selecting the cotton best suited for specific uses. Research workers use them for determining the effects upon cotton quality of different cultural production practices and of different methods of harvesting, conditioning, ginning, and packaging. Indeed, the American cotton industry has come to regard the Government research and testing program for cotton as the center of activities aimed at solving their quality problems of production, ginning, marketing, and processing. Many representatives of all branches of the industry visit the Government laboratories to study methods, procedures, and results.

Four Laboratories

The testing facilities are provided at U. S. Department of Agriculture laboratories at Washington, D. C., and Stoneville, Miss. (which are equipped for fiber testing only), and at Clemson, S. C., and College Station, Tex. (which are equipped for both fiber and spinning testing). The Clemson laboratory is operated cooperatively by the Department and the Clemson Agricultural College and the College Station laboratory is operated cooperatively by the Department and the Texas Agricultural and Mechanical College.

Three types of testing were conducted during the 1945 fiscal year (ended June 30, 1945). First, there was service testing for the public under the Cotton Service Testing Act of 1941. Second, there was testing in connection with research programs conducted in cooperation with other Federal and State research agencies. Third, there was testing in connection with standardization and research projects within the Department, including the development of improved equipment and techniques for testing.

The volume of this work more than doubled during the fiscal year. The number of service tests increased from 7,451 in 1944 to 11,696 in 1945, cooperative research tests increased from 6,297 to 9,182, and standardization and research tests increased from 2,505 to 12,252—a total increase of from 16,253 to 33,130.

. .
.

ORDER RESTRICTING SALE OF WOOL TERMINATED

The Department of Agriculture has terminated (effective August 29) WFO 50, which restricted the sale of most wool to the Commodity Credit Corporation. Although this action ended mandatory sale of wool to CCC, the wool-purchase program of that organization is being continued.

. .
.

DRIED MILK ORDER TERMINATED

The Department of Agriculture on August 27 announced the termination of WFO 93, which restricted sales of dried milk products to U. S. civilians. Retroactive to July 1, the termination eliminated all sales restrictions on these products for the July-September quarter and all following periods. Government requirements for dried whole milk products will be met through purchases on the open market.

. .
.

WOOL FAT ORDER TERMINATED

Restrictions on inventories of wool fat were removed, effective August 25, with the termination of WFO 76. When the order was issued in August 1943, short supplies and heavy military demands necessitated allocation from producers to industrial consumers and refiners of the grease extracted from wool. A modification in September 1944, under which the allocation system was replaced with inventory limitations, permitted a more general use of wool fat.

. .
.

GLYCERINE ORDER TERMINATED

WFO 134, which since June 20, 1945, had restricted the inventories of glycerine users and distributors, was terminated as of August 25.

ORDER BANNING LAMB SHIPMENTS
TO OREGON COUNTIES TERMINATED

Restrictions on the shipment of lambs into certain sections of Oregon were abolished, effective September 1, 1945, with the termination by the Department of Agriculture of WFO 140.

The terminated order prohibited in-shipments of lambs, except to federally inspected slaughterers, in the Oregon counties of Hood River, Clackamas, Marion, Linn, Lane, Douglas, Jackson, and in the remainder of the State lying west of these counties. The order was designed to aid in the marketing and distribution of "soft" lambs within the area. These lambs, largely grass fed, shrink heavily when shipped for any great distance alive and are thus adapted only for local consumption.

. .
.

RESTRICTIONS ON ACTIVE DRY YEAST LIFTED

WFO 112, which had controlled the distribution of active dry yeast since September 16, 1944, was terminated September 1. The order required manufacturers of the product to set aside 100 percent of production for sale and delivery to the Government.

The Department of Agriculture announced that active dry yeast set aside for delivery to Government agencies and in the hands of manufacturers, but remaining unsold upon termination of the order, would be released without restriction.

. .
.

TEA ORDER TERMINATED

With tea supplies almost normal in this country, and no anticipated complications, the Department of Agriculture has terminated all controls under WFO's 18 and 18.3, the orders restricting packaging and distribution of tea. Termination covering all phases of the order, including record-keeping and reporting requirements, became effective August 31.

. .
.

DEHYDRATED VEGETABLE
SET-ASIDE ORDER TERMINATED

WFO 30, which provided originally for the reservation for Government purchase of dehydrated Irish potatoes, sweetpotatoes, cabbage, carrots, beets, onions, and rutabagas, has been terminated effective September 1.

SET-ASIDES REDUCED FOR CANNED FRUITS AND VEGETABLES

The Department of Agriculture announced on September 14 that additional quantities of canned fruits and canned vegetables from the 1945 pack would be made available for civilian consumption as a result of decreased Government requirements, which would be reflected in reduced set-aside percentages of these foods in forthcoming amendments to WFO 22.8 (canned fruits) and WFO 22.9 (canned vegetables). Reductions were to make available an estimated additional 3,850,000 cases of canned fruits and 5,887,000 cases of canned vegetables.

. .
.

CITRUS FRUIT RESTRICTIONS TERMINATED

Termination effective August 27 of four War Food orders that regulated the distribution and sale of both fresh and processed citrus fruit has been announced by the Department of Agriculture.

The orders are: WFO 3, issued January 5, 1943, covering manufacture and sale of citrus fruit juice; WFO 6, issued January 12, 1943, covering citrus fruit required to be set aside for essential war needs; WFO 118, issued November 28, 1944, in connection with the processing of grapefruit segments; and WFO 122, issued January 17, 1945, covering disposition of canned grapefruit juice, canned orange juice, and canned grapefruit and orange juice blended.

. .
.

POULTRY CANNING ORDER TERMINATED

Because the armed forces will be able to acquire future canned poultry needs through open-market negotiation and contract, the Department of Agriculture has terminated WFO 125, effective August 27. Before its temporary suspension on July 31, this order required the setting aside of the major portion of canned poultry and canned poultry products for purchase by the armed forces. Poultry eviscerated and canned while this order was in effect was not released by the termination.

. .
.

SUSPENSION OF VEGETABLE OIL DELIVERY RESTRICTIONS CONTINUED

The Department of Agriculture has continued through March 31, 1946, the suspension of restrictions on deliveries of crude cottonseed, peanut, soybean, and corn oils to refiners for refining purposes under WFO 29.

Peanuts Also Served

During the war years food columnists said: "If you're short of meat, why not try a peanut roast?" Nutritionists explained that peanuts contain plenty of protein and fat, and candy manufacturers put peanuts and peanut butter in many of their products.

Food Orders

The uses of peanuts in wartime were recognized in the framing of four War Food orders:

Food Distribution Order 78, effective September 1, 1943, was meant to limit the quantity of peanuts used in peanut products to 100 percent of the manufacturer's 1942 use, except for peanut butter for which a percentage factor of 140 was allowed. The order proved to be impractical, and was cancelled.

War Food Order 89 was issued in December 1943 to promote the conservation and equitable distribution of peanuts and peanut butter and to authorize the establishment of quotas for manufacturers using peanuts and peanut products. Use of the powers authorized by the order was not necessary, and it was terminated in January 1945.

WFO 100 restricted purchases, sales, and deliveries of farmers' stock peanuts of the 1944 crop to the Commodity Credit Corporation or its designated agents, except for sales to producers for planting, or to seed dealers under contract with CCC, which is permitted to buy farmers' stock peanuts from producers for subsequent sale for seed. The order restricts crushing, cleaning, shelling, or otherwise changing farmers' stock peanuts except for planting. Persons who entered into 1944 sheller contracts were required to set aside specified percentages of peanuts of designated types for use by manufacturers with orders from the Army Quartermaster Corps or from the Bureau of Supplies and Accounts of the U. S. Navy for salted peanuts, peanut butter, or the peanut component of the Army's C ration. Beginning with the 1944 crop, only peanuts of No. 1 grade or better and Virginia splits were permitted to be used for purposes other than planting or crushing into oil and meal.

WFO 130 was issued May 17, 1945, to control purchases, sales, and deliveries of farmers' stock peanuts of the 1945 crop.

In addition to the four orders listed, WFO 29, effective April 16, 1943, was issued to permit the allocation of specific quantities of peanut, cottonseed, soybean, and corn oils to manufacturers of margarine, shortening, and other edible fat products, and to prohibit use of these oils and their fatty acids in manufacturing specified inedible products.

During the year ended last June 30, there was an active subsidy program for peanut butter at the rate of 4½ cents a pound to manufacturers who shipped to primary distributors, wholesalers, and retailers 500 pounds or more of peanut butter packed in containers of 2-pound size, or smaller, for home consumption. Effective September 1, 1945, subsidy payments to manufacturers were reduced to 4 cents a pound.

During the fiscal year, the Department of Agriculture received about 50 requests for priority assistance toward expansion of processing facilities. At first it appeared that existing equipment would be adequate for industry needs during the war period, but later in the year many priority requests were approved because labor shortages made it almost impossible for plants to handle Government business on time.

Approximately 70 other priority requests were received for assistance in obtaining replacements for worn-out machinery and equipment and for the purchase of homogenizers (which help prevent oil separation in peanut butter). Most of these requests were approved. Through Food Regulation 10 priorities and set-aside requirements, an adequate supply of peanuts was obtained for salters, peanut butter manufacturers, and candy makers who were supplying Government contracts.

Outlook

Peanut acreage for picking and threshing in 1945 based on August 1 intentions of growers was reported to total 2,238,000 acres. All major producing States except Alabama showed increased acreages. According to indications, this year's peanut crop will be the largest on record, amounting to 2,309 million pounds—9 percent larger than last year's crop, and 4 percent larger than the previous record production of 1942.

Production of shelled edible peanuts was reported at 809 million pounds for the 11-month period September 1, 1944, through July 31, 1945, and apparent consumption amounted to 797 million pounds. In June and July more than half the shelled peanuts processed were used in the manufacture of peanut butter. About 17 percent of the total quantity of processed peanuts, as well as large quantities of peanut butter, went into candy.

During the 12-month period ended last July 31, the quantity of farmers' stock peanuts cleaned and shelled amounted to 1,561,582,000 pounds, breaking all records. Despite the shortage of labor, this year's production of shelled peanuts was about 200 million pounds greater than that during the same period last year.

Types and Varieties

There are three types of peanuts—Virginia, Spanish, and Runner. The Virginia type is large-podded, its kernel covered with a reddish skin, and is produced mainly in Virginia and North Carolina. Except for a relatively small volume of Valencias, all unshelled peanuts sold for roasting

are of this type. Nearly all the large Virginia peanuts, and today also the medium grades, are marketed as salted peanuts. No. 1 Virginia peanuts are used for peanut butter and peanut candy.

The Spanish (or White Spanish) peanut grown across the southern part of the United States has a small pod and a kernel covered with a brownish skin. The plant grows upright, its pods lying underground close together. An improved Spanish type also exists. Spanish peanuts are suitable for crushing, salting, and for making peanut butter and candy.

The Runner type, which grows in a spreading formation, is also a small-podded peanut and is grown commercially in Alabama, Florida, and Georgia. Formerly these peanuts were used extensively for hog feed. Runner peanuts have been used for crushing into oil, but of late years they have been used largely in making peanut butter and peanut candy.

In Texas the peanut harvest extends from the latter part of July to late November or early December. In the Southeast, Spanish peanuts are harvested from early August to the middle of September. Runner peanuts are harvested from the latter part of September through October. The Virginia-North Carolina area begins to harvest its crop in late September or early October, and continues for several weeks. In all areas peanut producers try to harvest before frost so as to avoid damage to the vines, which are used for stock feed.

In Virginia and North Carolina the peanuts are placed in bags holding about 88 pounds of Virginia-type peanuts or 120 pounds of Spanish peanuts. In Texas second-hand sacks, generally holding 2 bushels, are used. Peanuts move from Southeastern farms to market in bulk. Shipments are made by truck or rail, depending on accessibility to railroads and whether freight rates are favorable.

Virginia-type peanuts are cleaned by machinery which removes dirt from the shells and polishes them slightly. Sticks and other foreign material are taken out; fans blow away lightweight pods and trash; any remaining small stems are removed. By machinery the peanuts are graded according to size--first the smallest nuts, then the second-size or Fancy nuts, and finally the Jumbos. Polishing drums containing a fine white powder--either kaolin or talc--give the peanuts a clean and uniform appearance. Then they are sacked in burlap bags.

Marketing

Federal grades for farmers' stock Spanish peanuts were issued in 1924; for Virginia-type peanuts in 1926; and for Runners in 1931. Several revisions in the grades have been made since that time. Federal grades have been issued for shelled peanuts of the three main types and now are used in the contracts of all peanut millers.

Peanuts are included in the market news reports issued weekly by the U. S. Department of Agriculture covering conditions and prices in the

peanut-growing areas and in many of the consuming markets—a service established late in 1919 at the request of the peanut industry.

The Peanut Statistics Act of June 24, 1936, (amended in 1938) authorizes the Secretary of Agriculture to collect and publish monthly statistics of raw peanuts (shelled and unshelled) and of peanut oil received, processed, shipped, and owned by or in the possession of warehousemen, brokers, cleaners, shellers, dealers, growers, cooperative associations, crushers, salters, manufacturers of peanut products, and owners other than the original producer of peanuts. Information authorized under the act is supplied in "Peanuts Stocks and Processing," issued monthly by the Department of Agriculture.

The most important peanut product is peanut butter, originally prepared for sanitarium use about 1890 and later placed on sale for the general public. In recent years increased quantities of peanuts have been used in candy bars and as salted nuts. Salted, shelled Spanish peanuts have been sold in penny vending machines for more than 40 years.

Peanuts for salting are generally cooked in coconut oil or other vegetable oil, and then salted. Spanish peanuts are usually salted with the brown skins on.

Plain peanut bars or chocolate-covered peanut bars are popular candies of the nickel variety. Other candy bars popular with the public are made with a base consisting of malted milk and egg white and a top layer of peanuts and caramel.

Peanut oil has been used for some years in oleomargarine, compounds and vegetable shortenings, salad oil, and for other purposes.

Peanut meal, obtained from ground peanut cake, the solid residue of peanuts used for crushing, is used for stock feed.

• •
•

PRIMARY SUGAR DISTRIBUTION REVISED

A revision in sugar distribution to the four major types of claimants has been announced by the Department of Agriculture in an amendment to WFO 131.1. April-through-September allocations to civilians remained unchanged. At the same time, combined allocations for military procurement, Department of Agriculture procurement, and authorized purchasers (including the War Shipping Administration) were reduced by 29,538 tons, making the total allocations to these three classifications 648,681 tons for the 6-month period. The redistribution was necessary in order to correct prior allocations that had been found in excess of probable supply. Owing to the ending of the war, it was possible to avoid any decrease in civilian allocations in spite of the necessity of over-all decrease in distribution.

FLUE-CURED TOBACCO ALLOCATIONS INCREASED

The Department of Agriculture has increased allocations of 1945-crop flue-cured tobacco in view of increases in the production estimates reflected in the general Crop Report released September 10. This latest crop report indicates a 1945 production of 1,174 million pounds of flue-cured tobacco—as compared with the August 10 estimate of 1,134 million pounds.

Allocations to manufacturers and dealers will be increased by approximately 40 million pounds through amendment 2 to WFO 4.10. This amendment provides that manufacturers may acquire flue-cured tobacco up to 105.5 percent of the quantity (including scrap) they used for manufacturing purposes from July 1, 1944, through June 30, 1945. Manufacturers' allocations for purchase at auction and from dealers are fixed in the same proportion of total purchases as were similarly acquired from the crops of 1939 through 1942.

Dealers may purchase, 1945-crop flue-cured tobacco at auction—for their own accounts—up to 125 percent of the basic quantity which they were entitled to buy from the 1944 crop under the provisions of amendment 4 to WFO 4.7. Further adjustments in allocations may be made if later crop estimates modify the September figures.

. .
.

SUBSIDY RATES FOR CANNED SNAP BEANS AND WHOLE TOMATOES

The subsidy rate for canned snap beans for the 1945 pack is 11 cents per dozen No. 2 cans with suitable adjustments for other container sizes, the Department of Agriculture has announced. This is the same rate as for the 1944 pack and covers sales made during the eligible period from May 1, 1945, to June 30, 1946.

In addition, the Department clarified provisions of its program announced July 5, to encourage the packing of whole tomatoes through an increase of 6 cents per dozen for No. 2 cans with proportionate adjustments for other container sizes. The increased subsidy rate on canned whole tomatoes, 18 cents per dozen No. 2 cans, applies only to sales made during the eligible period from July 5, 1945, through June 30, 1946. Sales made before July 5 are eligible for the prior subsidy of 12 cents per dozen No. 2 cans.

The subsidy rate on Italian pear-shaped tomatoes also was clarified. The subsidy rate per dozen No. 2 cans for this variety of tomato is the difference between the Commodity Credit Corporation's 1943 resale price and the 1945 grower support price, calculated as cents per dozen, No. 2 cans, plus 6 cents, with proportionate adjustment for other container sizes. This

subsidy will cover sales made during the eligible period from July 5, 1945, through June 30, 1946. Pear-shaped tomatoes packed before July 5 do not receive the subsidy of 6 cents per dozen, basis No. 2 cans.

. . .
.

INCREASED QUOTAS FOR FATS AND OILS ANNOUNCED

Larger civilian supplies of shortening and cooking oils, soap, and oils for protective coatings under forthcoming amendments to WFO's 42, 42a, and 42b were announced by the Department of Agriculture on September 18.

Effective October 1, the quota for the use of fats and oils in the production of civilian supplies of cooking and salad oils and shortening will be increased from 79 percent of average use during the base period 1940-41 to 88 percent. This action, resulting from reduced military requirements and a larger prospective supply of soya bean oil than previously estimated, was expected to relieve shortages that have existed in some areas.

. . .
.

USDA REMOVES ALL CHEESE CONTROLS; OPA LIFTS CHEESE RATIONING

The Department of Agriculture on September 11 removed all cheese controls following advices from the U. S. Army Quartermaster Corps that some military stocks of Cheddar cheese could be used to fulfill requirements of foreign claimants. These actions were accomplished by removal of the previously announced 40-percent Cheddar cheese set-aside for September under amendment 5 to WFO 15, and termination of WFO 92, which restricted the manufacture of foreign-type cheeses to permit greater volume of manufacture of Cheddar cheese. Both actions were retroactive to September 1.

Coincident with this announcement, the Office of Price Administration announced that the point value of all varieties of cheese would be reduced to zero effective September 12.

. . .
.

SEPTEMBER SET-ASIDE OF SPRAY MILK POWDER REMOVED

The 60-percent set-aside of spray process nonfat dry milk solids previously announced for September was removed by the Department of Agriculture effective September 1. The action removed all set-aside requirements for the month.

Food From The Gold Coast

Chocolate in shiny, satin-ribboned boxes, which during the war years all but disappeared from drugstore showcases, served in the Army's C, D, K, and 10-in-1 rations as a first-class booster of GI energy and morale.

WFO 25

Early in 1943, War Food Order 25 was issued to continue in effect the regulatory provisions of War Production Board Order M-145, which had been in effect since May 1942. The purpose of the order was to assure adequate supplies and efficient distribution of cocoa beans and cocoa products for the armed services and for essential civilian requirements. Under it, quarterly quotas for processors were fixed at a specified percentage of the amount processed during the base period in 1941.

At present the quota is 70 percent. The order prohibits the manufacture of certain novelty items and other cocoa products, and the purchase of cocoa-bean products for use in filling quota-exempt orders from the armed forces or other Government agencies (except in the form of confectionery or other food products for retail distribution). Processors' inventories of these products may not exceed manufacturing requirements for 60 days.

The order permits processors to carry over a maximum of 10 percent of their unused quota of cocoa-bean grindings from one quota period to another. However, many processors were unable to grind their quota of cocoa beans during the first quarter of 1945 because of extremely heavy demands from the armed forces. Upon application these processors were granted permission to carry over unused portions of their quota into the second quarter.

Increased demands for ration bars and other specialized merchandise from the armed forces resulted in greater utilization of cocoa butter during the fiscal year to fulfill these orders, and there were numerous requests for help in obtaining cocoa butter. Where suppliers could not make delivery to former customers, every effort was made to furnish users a proportionate share of their requirements from supplies available.

Some of the smaller confectioners had an abnormally low base-period purchase of chocolate products and were unable to obtain adequate supplies from processors. Seventy-four of the smaller manufacturers appealed for relief from the provisions of the order during the fiscal year 1945.

The order was amended 3 times during the year. Seventy-four petitions for relief from hardship were processed, and 14 compliance cases were reported. Reports from processors totaled 192. The Cocoa and Chocolate Industry Advisory Committee met during the year to discuss the outlook for supplies of cocoa beans, sugar, and packaging materials, and to advise on means of facilitating military procurement of confectionery products and of preventing the accumulation of stocks of chocolate coating and the use of chocolate for civilian purposes manufactured on a quota-exempt basis.

Importation of Cocoa Beans

Cocoa beans, from which cocoa and chocolate are made, are not produced in the United States. For this reason it has been important, in order to maintain the supply, to study constantly the international supply and demand for this commodity and to claim a fair share for this country's needs from the producing nations. The Combined Food Board through its commodity committees has attempted to distribute equitably the world supply to claimants. Recommendations of the committees, approved by the Board, are implemented by War Food orders to control private importation and foreign purchase directives for carrying out public purchase programs. After the allocation is made for cocoa beans in this country, they must be allocated among the claimant agencies. So far as is possible, the normal commercial channels for handling the product are maintained.

The importation of cocoa beans has been carried on through regular commercial channels and through purchase and importation by the Government. By private purchase, cocoa beans are obtained from Latin America, the British West Indies, Ceylon, Samoa, and New Hebrides; and by public purchase from West Africa. Approximately 420 authorizations were issued during the year for imports from sources other than West Africa.

However, cocoa beans from West Africa--produced mainly in the area known as the Gold Coast--constitute 60 percent of total United States supplies. Distribution is made to established importers who normally imported from this source before the war. In turn, the beans go to grinders and processors in accordance with the processor's percentage of current total quarterly grindings of cocoa beans. Most of this production has been for manufacturing chocolate products for direct war use.

The Department of Agriculture obtains shipping space necessary to meet United States cocoa-bean requirements, frequently consulting with the War Shipping Administration to assure a constant supply of cocoa beans from producing countries. The total allocation for the United States amounted to approximately 208,000 tons of cocoa beans in the last fiscal year.

During the year some cocoa-bean processors had trouble with worn-out or obsolete equipment and found it difficult to get new equipment. Thirty applications for priority assistance were received, 24 of which were granted and 6 denied. Priority was granted in cases where new machinery or repairs were needed to maintain current output. Expansion was permitted only where additional production was specifically for military requirements.

The end of the war had no immediate effect on the supply and distribution of chocolate products. Postwar planning in the chocolate industry will depend on supplies of the three basic raw materials used--cocoa beans, sugar, and dairy products. World supplies of cocoa beans are still short of total demand. While military requirements will be less, civilian demand for chocolate products will probably increase. It is expected that sugar will be in short supply through 1946. The procurement of dairy products, used in substantial quantities in the manufacture of chocolate, will depend on available supplies and Government action regarding supply and distribution.

Procurement of raw materials and distribution will continue to be the principal problems. It is expected that price ceilings now in effect will remain for a period after VJ-day. Under WFO 25, chocolate manufacturers have been able to make equitable distribution of their products, and relaxation of the order would burden chocolate manufacturers' sales organizations.

In the postwar period the industry again will be catering to a civilian market. When restrictions on the supply of raw materials are removed, keener competition within the industry may tend to force down the average price of confectionery.

Sources

The cacao tree, from which cocoa and chocolate are obtained, flourishes in the tropics under climatic conditions unfavorable to the white man. The tree is sensitive to wind and cannot stand the blazing sun. On plantations, banana, rubber, breadfruit, and other trees are planted to act as wind screens and to shade the cacao trees.

The fruit, varying in shape, resembles a melon or a cucumber. It is from 6 to 8 inches long, is yellow or red according to variety, and has a sweetish pulp. The numerous almond-like beans or seeds are covered with thin, pale, reddish-brown skin. The kernel is dark brown, oily, aromatic, and bitter. The cultivated cacao tree produces larger beans than the wild variety. The trees generally yield two crops a year.

After the fruit is gathered, the beans are removed from the pods and left to ferment in bins, baskets, or even in piles on the ground. Fermentation, which usually takes from 2 to 7 days, destroys the tannin in the bean and develops the aroma.

The beans are covered with a fruity pulp that must be removed to obtain a product which can be handled commercially. The pulp is removed in the fermentation process.

In manufacturing cacao the beans are screened and then roasted. Winnowing machines separate the shell from the kernel or nib. The nib is reduced to a liquid by grinding. More than 50 percent of the

weight of the nib consists of a fat that melts in the heat produced by friction during the grinding process. When the cacao mass cools it sets as a hard, dark-brown substance containing 50 to 56 percent of cacao (or cocoa) butter.

In the manufacture of cocoa powder the cacao mass while still liquid is put into vessels with filter pads at the bottom and top, and subjected to great pressure to extract the cacao butter. The residue of the cacao nibs is ground, sifted, and sold as cocoa.

. .
.

OIL QUOTAS FOR PAINTS, FABRICS, LINOLEUMS INCREASED

In anticipation of reductions in military requirements, the Department of Agriculture late in August increased oil quotas for protective coatings (such as paint, varnish, and lacquer), coated fabrics, and linoleum. The quotas--set March 28 for the last three quarters of 1945 at 40 percent of the base period (average consumption in 1940-41)--were increased to 45 percent for the third quarter, which began July 1, and to 50 percent for the fourth quarter, which begins October 1. The action was taken under amendment 5 to WFO 42a.

. .
.

OIL OF PEPPERMINT RESTRICTIONS TERMINATED

WFO 81, which controlled the distribution of oil of peppermint, was terminated as of August 22. Increased production and a decrease in military and other requirements made the termination possible. Oil of peppermint is used in such products as chewing gum, confectionery, tooth pastes and powders, pharmaceutical supplies, and other items.

Effective since September 13, 1943, WFO 81 was issued to assure equitable distribution of a short supply of oil of peppermint for civilian and military claimants. Amendments were made as increased supplies made it possible to relax restrictions.

. .
.

ANIMAL AND NEAT'S-FOOT OIL ORDER TERMINATED

WFO 128, which limited animal and neat's-foot oil inventories of distributors and users, was terminated as of August 25. Because these two oils are very important as metal-working oils and are essential in textile weaving and processing, leather tanning, and the manufacture of various specialized lubricants, equitable distribution of both oils was regulated during 1943 and 1944 under WFO 53.

PROCESS FOR LIGHT-COLORED PEANUT MEAL

A simple, inexpensive method for removing the dark-red color from peanut skins has been found at the Southern Regional Research Laboratory of the Department of Agriculture in New Orleans. The development of this decolorizing process removes one of the greatest obstacles to the production of peanut protein for certain industrial purposes.

The manufacture of peanut protein is complicated by a serious color problem, because of the dark-red skins of some varieties of peanuts. In isolating the protein from peanut meal, there is extracted along with the protein a considerable amount of color, making the protein too dark for utilization in products for which it would otherwise be unsuitable.

The process, the discovery of R. S. Burnett and his co-workers in the Southern Laboratory, consists simply in washing shelled peanuts in a cold dilute lye solution, rinsing the kernels to remove excess lye, and drying to the right moisture content for the preparation of the meal. The protein prepared from this meal is practically free of the alkali soluble pigments originally present in the skins.

The substitution of white-skin peanuts was heretofore the sole solution to the difficulty. White-skin peanuts, however, are grown on a limited scale, and their cultivation could be increased only with long-range planning.

Peanut protein prepared with the new process is suitable for spinning silky fibers which are practically colorless. It is utilized too in making a cold glue for use in bookbindings and gummed tape. Another important utilization is in paper coatings, cold-water paints, and related uses where lack of color is essential.

The unusually low cost of the new decolorizing process of \$2 a ton of peanuts makes it practical for industry. About 300 to 350 pounds of protein can be isolated from a ton of peanuts.

. . .
.

BREWERS' HOP PURCHASES LIMITED

Limitations on the quantity of hops and hop products brewers may purchase from the 1945 crop have been set by the Department of Agriculture. Brewers' purchases will be limited to a quantity not exceeding 150 percent of the quantity used in the production of malt beverages during the year ended June 30, 1945, less inventories of September 1, 1945. This action was taken in amendment 11 to WFO 66, effective September 12.

POTATO SHIPPING ORDER TERMINATED

Because supplies of Irish potatoes would be more than sufficient to meet anticipated Government requirements, the Department of Agriculture has terminated (effective August 29) WFO 120.

This order, restricting shipments from various producing areas, was issued in December 1944 to assure availability of good-quality potatoes for the armed forces and other Government agencies and to prevent diversion of seed potatoes from planting areas. The order was applied only to those areas where it was difficult to obtain supplies needed by the armed forces, or to maintain orderly movement of seed potatoes.

. .
.

FREEZER STORAGE ORDER TERMINATED

WFO 116, which had been issued to assure the armed forces adequate freezer space for the storage of meats and poultry, was terminated effective August 28.

The order provided for allocation of public warehouse freezer space in 24 cities for the use of the armed forces. When it was issued in October 1944, the armed forces were finding it very difficult to obtain enough freezer space to store meats and poultry. Termination was possible because the demand for freezer space for the armed forces was expected to decline.

. .
.

1945 PRODUCTION OF DEHYDRATED RAISINS LIMITED

To balance utilization of raisin-variety grapes and to encourage a large production of natural or sun-dried raisins, the Department of Agriculture has limited the 1945 production of Golden Bleached raisins to 38,000 tons and other dehydrated raisins (Valencia or dehydrated Muscats) to 2,000 tons.

Under WFO 17, as amended, dehydrators must receive specific authorization from the assistant administrator of the Production and Marketing Administration to dehydrate raisin-variety grapes by means other than sun-drying. The action makes allocations to grape dehydrating plants on a capacity basis up to the limit of 38,000 tons for Golden Bleached raisins and 2,000 tons for Valencia or dehydrated Muscat raisins. In addition, allocations to process Valencia or dehydrated Muscat raisins will be made only to operators of dehydration plants located in Kings County, Calif.

ABOUT MARKETING:

The following reports and publications, issued recently, may be obtained upon request. To order, check on this page the publications desired, detach, and mail to the Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C.

Feed Consumption and Marketing Weight of Hogs. TB 894. (United States Department of Agriculture) July 1945. 28 pp. (Printed.)

Usual Dates of Planting and Harvesting Commercial Truck Crops for Fresh Market. (Bureau of Agricultural Economics) July 1945. 65 pp. (Mimeographed.)

Production of Manufactured Dairy Products, 1944 (Preliminary). (Bureau of Agricultural Economics) July 1945. 17 pp. (Mimeographed.)

Prosecutions, Seizures, and Cease and Desist Orders Under the Federal Seed Act, January 1, 1945, to June 30, 1945. August 1945. 6 pp. (Mimeographed.)

Tobacco Stocks Report as of July 1, 1945. August 24, 1945. 18 pp. (Mimeographed.)

Regulations for Warehousemen Storing Dry Beans. SRA 130, revised and reprinted, with amendments, May 1945. 22 pp. (Printed.)

Marketing and Manufacturing Margins for Textiles. TB 891. (United States Department of Agriculture) March 1945. 148 pp. (Printed.)

Seven Questions To Ask When You Buy or Sell Shelled Corn by Grade. (Extension Service) July 1945. Leaflet. (Printed.)

Tentative U. S. Standards for Grades of Frozen Rhubarb. (Effective August 15, 1945) 6 pp. (Mimeographed.)

Tentative U. S. Standards for Grades of Frozen Cauliflower. (Effective August 1, 1945) 8 pp. (Mimeographed.)

Tentative U. S. Standards for Grades of Frozen Apples. (Effective August 1, 1945) 7 pp. (Mimeographed.)

Tentative U. S. Standards for Grades of Frozen Raspberries. (Effective August 1, 1945) 7 pp. (Mimeographed.)

U. S. Standards for Shelled Runner Peanuts. (Effective August 21, 1945) 2 pp. (Mimeographed.)

